

**OFFICE OF GOVERNOR BOB RILEY
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For your consideration, below is a timely op-ed written by John D. Harrison, Alabama Superintendent of Banks

Alabama's Banks are Safe

This has been the most tumultuous week in America's economy in memory. With the previous failures of several major banks, the failure of such giants as Bear Stearns and Lehman Brothers, plus the bailouts of giants Freddie Mac, Fannie Mae and AIG, Americans may have wondered how it could get worse. Now we are on the brink of an historic \$700-plus billion buyout of bad mortgage loans by the federal government. The news of America's financial sector has not been good; in fact it has been troubling. Many an Alabamian may be left to wonder what is happening with the money that they have in their banks. They have started to ask: Are Alabama's banks safe? Is MY money safe? Is MY bank going to fail?

As the Superintendent of Alabama state-chartered banks, these are questions that I face every day. The citizens of Alabama are blessed in many ways. No bank chartered by the Alabama State Banking Department has failed in over 21 years. I do not expect that record to be broken during these tough economic times. As one of the regulators of Alabama state-chartered banks, I am proud of the conservative approach that the CEOs of our banks have taken. That conservative approach has given Alabama banks the ability to weather even these tough economic times.

The Alabama State Banking Department regulates 129 banks comprising over \$257 billion of assets with \$175 billion of deposits. Our mission is to charter, license, and regulate Alabama banks and other financial services providers in an efficient and effective manner to foster stability and instill public trust. Simply put, the customers and depositors of our banks should have confidence in the safety and stability of the banks we regulate; safety and soundness is our number ONE priority.

Each person who has money in an Alabama state-chartered bank also has the full force and backing of the Federal Deposit Insurance Corporation. This means that at least \$100,000 each depositor has in each Alabama state-chartered bank is insured against failure. The good news is that we do not expect to have to use this insurance. Alabama has been blessed with significant economic developments in recent years that have allowed the economy in the state to better weather economic downturns.

I am honored to serve the public as one of the regulators of Alabama state-chartered banks and I want all to know that, overall, Alabama banks are strong. Our banking department works every single day for the Alabama public to make sure we maintain that record.

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John D. Harrison has served as Superintendent of Banks since May 2005. He previously served as Director of the Alabama Department of Economic and Community Affairs, was a four-term mayor of Luverne, and was president and CEO of First Citizens Bank in Luverne.